



PRESS RELEASE

Sales growth across all regions driven by Footwear

Currency effects continue to have negative impact on margins

Herzogenaurach, 24 July 2015

2015 Second Quarter Facts

- Currency adjusted sales up by 7.6% to € 772.7 million (+18.5% reported)
- Strong growth in Footwear driven by Running and Training categories
- Gross profit margin stable at 46.7% despite adverse currency effects
- OPEX increase based on additional marketing activity, IT investments and currency impacts
- Operating income (EBIT) comes in at € 6.8 million
- Tretorn trademark rights sold
- PUMA-sponsored national football team of Chile wins Copa América title for the first time

2015 Half Year Facts

- Currency adjusted sales grow across all regions by 5.9% to € 1,594.1 million, exceeding expectations
- Gross profit margin falls by 90 basis points to 46.8% due to currency effects
- OPEX rise by 19.1% to € 708.5 million due to higher marketing activities, retail expansion and IT investments as well as adverse currency impacts compared to last year
- Operating income (EBIT) amounts to € 44.3 million
- Earnings per share come in at € 1.44
- Innovative IGNITE running product platform shows good sell-through

Key sales figures at a glance

Sales by regions and product segments		Q2		growth rates		1-6		growth rates	
€ million	2015	2014	Euro	currency adjusted	2015	2014	Euro	currency adjusted	
Breakdown by regions									
EMEA	270,5	255,7	5,8%	3,9%	612,2	593,0	3,2%	1,8%	
Americas	328,4	250,6	31,0%	11,6%	617,4	485,8	27,1%	8,7%	
Asia/Pacific	173,8	145,9	19,1%	6,2%	364,5	299,2	21,9%	8,6%	
Total	772,7	652,2	18,5%	7,6%	1.594,1	1.377,9	15,7%	5,9%	
Breakdown by product segments									
Footwear	358,8	277,6	29,3%	16,2%	736,9	598,4	23,1%	11,7%	
Apparel	263,3	241,1	9,2%	-0,3%	543,1	487,0	11,5%	2,7%	
Accessories	150,7	133,6	12,8%	3,6%	314,1	292,5	7,4%	-0,9%	
Total	772,7	652,2	18,5%	7,6%	1.594,1	1.377,9	15,7%	5,9%	

Bjørn Gulden, Chief Executive Officer of PUMA SE: "We saw a continued positive development of our sales in Q2. This was again driven by a strong growth in Footwear. We have said that growth in footwear is key for us to turn the company around and feel that the investment in new and innovative products is starting to pay off. The negative effect of currencies is continuing to hurt our gross profit margin and increase our operational expenses, thus reducing our earnings. We are of course working to offset the impact of this by gradually increasing sales prices in markets that are hurt by the negative effects, and we are, when possible, moving some of the sourcing to the local markets. These measures are currently not enough to totally offset the loss in reported gross profit margin. Despite the pressure on margins, we have decided to continue our investments in marketing, IT, and in the modernizing of our retail network. We believe these investments are needed to regain the strength of the brand and to ensure long-term growth for the company. We have a vision of becoming the fastest sports brand in the world and know that we have to invest now to achieve our goal long term. Furthermore, we confirm our financial guidance from Q1."

Second Quarter 2015

Currency adjusted sales exceed expectations

In the second quarter of 2015, PUMA's **consolidated sales** improved by 7.6% currency adjusted to € 772.7 million and were above our expectations. This positive development was primarily driven by the growth in Footwear sales across all regions. In reported terms, consolidated sales rose a strong 18.5%.

Growth in all regions

Second-quarter sales for the **EMEA** region (Europe, Middle East and Africa) rose by 3.9% currency adjusted to € 270.5 million. The development was particularly encouraging in Germany, France and Turkey, while Italy and Switzerland suffered a decline on high comparables (last year's World Cup replica sales not repeating this year).

Sales performance in the **Americas** was stronger in the second quarter with growth in both, North and Latin America. Currency adjusted sales increased by 11.6% to € 328.4 million. In particular, Argentina and Mexico showed above average sales developments.

Asia/Pacific (APAC) showed a satisfying second-quarter performance, with sales rising by 6.2% currency adjusted to € 173.8 million. The increase was primarily attributable to good performances in China and India, each reporting double-digit growth.

Footwear leads product segment performance

Sales in **Footwear** increased for the fourth quarter in a row, rising by 16.2% currency adjusted to € 358.8 million. This development was mainly driven by the Running, Training and Sportstyle categories and especially the PUMA IGNITE product platform.

Apparel sales were broadly flat at € 263.3 million. This is against high comparables in the second quarter 2014, when sales in replica jerseys driven by the FIFA World Cup were particularly strong.

Accessories grew by 3.6% currency adjusted to € 150.7 million and developed in line with our expectations.

Gross profit margin stable

Gross profit margin was stable at 46.7%, despite significant negative currency effects. The footwear gross profit margin decreased slightly from 42.7% to 42.3%, the apparel margin rose from 48.2% to 50.7% and the margin for accessories fell from 52.4% to 50.0%.

Higher OPEX in line with expectations

Operating expenditures (OPEX) - significantly impacted by adverse currency effects - saw an increase of 20.4% in reported terms, rising to € 357.4 million. During the quarter, we continued to invest heavily in marketing activities to strengthen PUMA's positioning as the Fastest Sports Brand in

the World. The main cause for the increase was higher media spend and the partnerships with global sports and pop culture icons Rihanna and Arsenal, which both commenced in the second half of 2014. The opening of new retail stores at selected locations and investing into the IT-infrastructure also contributed to the increase of OPEX in the second quarter. In constant currencies, the increase in OPEX amounts to 10.6% versus last year.

Operating income (EBIT)

The rise in operating expenses led to a decrease of **operating income** (EBIT) from € 12.6 million to € 6.8 million.

Financial result

In the second quarter, the **financial result** declined from € -1.3 million last year to € -5.7 million this year due to unfavorable impacts from currency conversion.

Net earnings

Net earnings came in at € -3.3 million in the second quarter, resulting in **earnings per share** of € -0.22.

First Half-Year 2015

In the first half-year 2015, **consolidated sales** increased by 5.9% currency adjusted to € 1,594.1 million and were above our expectations. In reported terms, the improvement is significantly higher with an increase of 15.7%.

All regions contribute to sales growth

In the **EMEA** region, sales rose by 1.8% currency adjusted to € 612.2 million. Germany, France, Spain and Turkey showed a positive development in Europe, while the Middle East and Africa regions continued their solid performance.

In the **Americas**, sales grew by 8.7% currency adjusted to € 617.4 million. Argentina and Mexico stood out within the Latin American region, driving double-digit growth, while North America was growing at a mid-single-digit pace with acceleration in the second quarter.

Asia/Pacific also developed well, with an increase of 8.6% currency adjusted to € 364.5 million. Performances in China and India were strong, while sales in Japan were stagnant and Korea declined in a difficult economic environment.

Footwear supported by IGNITE

In terms of product segments, **Footwear** was positively impacted by the successful launch of the PUMA IGNITE product platform, leading to an overall increase of 11.7% currency adjusted to € 736.9 million. The Running, Training, and Football categories were the main growth drivers. **Apparel** also grew with sales amounting to € 543.1 million (+2.7%), while **Accessories** decreased slightly to € 314.1 million (-0.9%).

PUMA's retail sales grew

Supported by the increased number of stores operating (44 more stores compared to one year ago; 4 less than at the end of 2014), **retail sales** increased by 9.3% currency adjusted to € 322.2 million in the first half of 2015. This represented 20.2% of total sales compared to 19.6% last year.

Gross profit margin impacted by adverse currency effects

PUMA has already taken and will continue to take countermeasures to offset the negative currency impact on the **gross profit margin**. The effect of these measures helped us to limit the impact on the gross profit margin to 90 basis points for the first half-year, as the second quarter gross profit margin was stable. However, PUMA cannot currently fully neutralize the impact of volatile currencies, as prices can only be adjusted very carefully in order not to impact consumer demand. Furthermore, in some countries, the costs of hedging outweigh its financial benefits, or in some instances, currency hedging is not possible at all. In addition, we are considering to source products more in local markets in order to reduce the exposure to foreign currencies in these markets. PUMA's gross profit margin for the first half-year went down by 90 basis points to 46.8%. The footwear gross profit margin decreased from 43.4% to 42.6%, apparel margin was largely stable at 50.7% and the margin for accessories decreased from 50.9% to 49.8%.

Continued higher OPEX due to heavy marketing activities

PUMA's **operating expenses** (OPEX) increased by 19.1% to € 708.5 million, as negative currency effects continued to have an impact and the company continued its marketing activities. Opening up new stores and investing into IT-infrastructure also contributed to the rise in OPEX. At the same

time, PUMAs management continued to put a strong emphasis on strict control of other operating costs. In constant currencies, the increase in OPEX amounts to 9.7% versus last year.

Operating result (EBIT)

Operating income was down by 37.7% to € 44.3 million in the first half 2015, impacted by the negative currency effects already described.

Financial result

The **financial result** was almost stable at € -4.8 million compared to € -4.5 million in the first half year of 2014.

Net earnings / earnings per share

Half-year consolidated **net earnings** came in at € 21.5 million, representing **earnings per share** of € 1.44 compared to € 2.66 in the prior year.

Net Assets and Financial Position

Increase in inventory and trade receivables broadly aligned with sales growth

To ensure product availability and support sales growth as well as a higher demand from new stores, **inventories** increased by 20.6% to € 704.5 million. This represents a currency adjusted increase of 13.4%. **Trade receivables** went up by 13.1% to € 523.8 million, broadly in line with reported sales growth. **Trade payables** were at € 557.9 million, rising 27.6% compared to last year's figure. In total, **working capital** rose 7.3% to € 640.0 million.

Cashflow / Capex

As a consequence of the higher working capital requirement, the **free cash flow before acquisitions** was at € -167.8 million compared with € -69.7 million for the same period last year.

Cash and cash equivalents

PUMA's **cash and cash equivalents** went up from € 300.0 million to € 337.9 million, while borrowings increased due to the higher working capital requirements as part of PUMA's short term financing activities.

Tretorn

PUMA sold trademark rights of Tretorn

Continuing our focus on our core categories under the PUMA and COBRA brands, we have divested of our industrial property rights of the Tretorn subgroup, which include trademark rights, patents and designs. In addition, the related operating business was sold and the respective entities were excluded from the scope of consolidation accordingly. Due to the very small size of the Tretorn business with respect to sales, profit and net assets, these transactions had no material impact on the results and financial position of the PUMA group.

Brand and Product Update

Underlining our strong position in Teamsport, PUMA achieved a great visibility at both the Copa América in Chile and the FIFA Women's World Cup in Canada. At the Copa América, PUMA partnered host nation Chile crowned their stellar performance throughout the tournament with their first continental trophy. The PUMA team secured their triumph with a penalty shootout over archrival Argentina and its PUMA star Sergio Agüero, who was amongst the tournament's best goal scorers with three goals. Agüero's run of success follows an outstanding English Premier League 2014/15 season, finishing as the top scorer with 26 goals. In Germany, Bundesliga's top scorer list was led by PUMA player Alexander Meier of Eintracht Frankfurt with 19 goals. At the FIFA Women's World Cup, PUMA star Marta made the headlines by becoming the all-time leading scorer of Women's World Cup history, while Germany's Céilia Šašić finished the tournament as the top goal scorer with six goals. Together with the three participating PUMA teams Cameroon, Ivory Coast and Switzerland, more than 50 PUMA players contributed to a strong on-pitch presence for PUMA.

Both the Copa América and the FIFA Women's World Cup in Canada served as a great stage for the introduction of PUMA's innovative football boot evoSPEED SL. The newly revealed boot is PUMA's lightest match boot to date thanks to a super light and almost translucent textile upper material. Whilst maintaining the necessary stability, the low weight PUMA SPEEDFRAME adds to the overall lightweight theme of the evoSPEED SL. Designed to give footballers a new game advantage enhancing speed and agility, the evoSPEED SL is worn on pitch by some of the world's best players including Sergio Agüero, Marco Reus, Radamel Falcao, Marco Verratti, and Antoine Griezmann.

At the end of May, our top football club Arsenal FC became the most successful club in the history of the English FA Cup with a record of 12 wins by outplaying Aston Villa to win 4:0 in the Final. Two weeks later, we launched the much anticipated 2015/16 Arsenal home kit for the second year of our partnership. The kit combines a modern approach to materials with a traditional silhouette and was launched through a live show at the Emirates Stadium by club legend and PUMA ambassador Thierry Henry.

In our Running and Training category, we built on the successful introduction of our revolutionary running technology IGNITE and continued to develop the IGNITE platform with the launch of IGNITE PWRCOOL. PWRCOOL is PUMA's innovative cooling technology designed to keep the body at an optimal temperature to preserve energy and is incorporated into a complete collection of thermo-regulated apparel and Footwear designed with CoolCELL: highly functional materials that draw sweat away from the skin while anatomically placed air flow features offer superior temperature regulation. PUMA's long history of working with Jamaican athletes such as the Fastest Man in the World, Usain Bolt, and Olympic medalist Hansle Parchment, provided the perfect conditions to test PWRCOOL as part of the development process.

In early May, COBRA PUMA GOLF athlete Rickie Fowler powered his way to a stunning victory at The Players Championship in Ponte Vedra Beach, Florida, with the greatest finish in the 34-year history of the event. Fowler was decked out in PUMA Golf apparel and equipped with his COBRA Golf clubs. With this signature style and world class performance, Rickie Fowler continues to reinforce COBRA PUMA GOLF's message of game enjoyment coupled with excellence.

Strategy Update

The first half of this year has shown that PUMA is well under way in improving its product engine. Our stronger sales performance, especially in Footwear underlines the increased attractiveness of our products. With our successful product initiatives in the Spring/Summer season we have underlined PUMA's mission of becoming the Fastest Sports Brand in the World.

One of the important initiatives was the launch of our new running technology IGNITE in Q1. IGNITE has delivered very solid sell-in and sell-through performance in both Wholesale and own Retail. In the second quarter, we have further nurtured this product platform with the introduction of IGNITE PWR COOL.

In Teamsport, we are claiming back territory with our two footwear platforms evoSPEED and evoPOWER, which we continue to support with new designs, materials and innovations such as the newly launched EvoSPEED SL, which only weighs 103 grams. Both platforms have been prominently featured in our marketing campaign this year and delivered high sell-through across geographies.

PUMA and Kering Eyewear signed an eyewear partnership agreement for optical frames and sunglasses to be launched in Spring/Summer 2016. These will be divided into three main segments: Performance, Active and Sportstyle. In line with PUMA's focus on sports performance, the range will also include eyewear items specifically designed for Running and Golf.

We have continued to strengthen the PUMA brand with ongoing marketing investments and enhanced marketing communication. Our campaign in the first half of this year has focused on showing our athletes and products in action.

In the second quarter, we have started featuring our newest brand ambassador Rihanna prominently through an in-store marketing campaign focusing on the season's female training styles. With this campaign we have affirmed our strong commitment to women athlete consumers. Rihanna is an ideal brand ambassador admired by women across the world, thanks to both her personality and iconic style. While she is already generating positive PR buzz for PUMA, Rihanna will be at the center of our ongoing marketing campaign over the upcoming months. In a television commercial as well as online and other offline media she will feature our IGNITE XT training shoe and other commercial products. Rihanna is currently working closely with our design teams. While the first Rihanna-inspired styles are already being launched in the second half of 2015, her own collection will be in stores in 2016.

The new in-store concept for PUMA's own retail was first revealed in our full price store in Herzogenaurach earlier this year. Since then further stores have been opened, including Hong Kong, Turkey and Mexico. In the new PUMA stores we can better tell our product stories, reveal the technologies behind them and strengthen PUMA's positioning as a sports brand. All new and refurbished stores are showing above average performance and an increased share of footwear sales.

Outlook for the Financial Year 2015

The positive sales development registered in the first half-year 2015 came in above our expectations. Nonetheless, we still continue to expect an increase in the medium single-digit range for full-year currency-adjusted net sales. For the second half of 2015, we anticipate higher sales growth in Q4 than in Q3.

However, as already expressed in the release of the first quarter results, the adverse developments of foreign exchange rates since the beginning of the year, particularly the strengthening of the US Dollar versus nearly all other currencies, had a significant negative impact on PUMA's reported gross profit margin. PUMA has already taken and will continue to take countermeasures, but the impact will not fully offset the negative currency impact on the gross profit margin. Therefore, we still expect a drop in the gross profit margin for the full year in a range of 100 to 150 basis points versus last year (2014: 46.6%).

In 2015, PUMA will continue to invest strongly in marketing to further enhance and reinforce its new brand positioning. The investments in the upgrade of PUMA's current IT-infrastructure and the extension of our own retail store network will also continue. This will result in an increase in OPEX that will be further impacted by negative currency effects. At the same time, PUMA's management will continue to put a strong emphasis on strict control of other operating costs.

Based on the business development in the first half-year 2015, we reiterate our expectation that adverse currency effects will continue to impact our gross profit margin, OPEX and EBIT. At the current exchange rate levels and thanks to the countermeasures, that we have already implemented, we reiterate our expectation for a full-year EBIT in a range between € 80 million and € 100 million, with net earnings impacted accordingly.

Second Quarter

Full Year

Income Statement	Q2/2015	Q2/2014	Devi- ation	1-6/2015	1-6/2014	Devi- ation
	€ million	€ million		€ million	€ million	
Sales	772,7	652,2	18,5%	1.594,1	1.377,9	15,7%
Cost of sales	-412,2	-347,5	18,6%	-848,6	-721,1	17,7%
Gross profit	360,6	304,7	18,3%	745,5	656,9	13,5%
- in % of consolidated sales	46,7%	46,7%		46,8%	47,7%	
Royalty and commission income	3,7	4,7	-22,4%	7,3	9,3	-21,3%
Other operating income and expenses	-357,4	-296,8	20,4%	-708,5	-595,0	19,1%
Operating result (EBIT)	6,8	12,6	-45,8%	44,3	71,2	-37,7%
- in % of consolidated sales	0,9%	1,9%		2,8%	5,2%	
Financial result / Income from associated companies	-5,7	-1,3	330,2%	-4,8	-4,5	6,7%
Earnings before taxes (EBT)	1,1	11,2	-90,3%	39,5	66,7	-40,7%
- in % of consolidated sales	0,1%	1,7%		2,5%	4,8%	
Taxes on income	2,4	-3,8	-163,8%	-8,4	-19,7	-57,4%
- Tax rate	-220,2%	33,6%		21,3%	29,6%	
Net earnings attributable to non-controlling interests	-6,8	-3,3	108,2%	-9,6	-7,2	33,5%
Net earnings	-3,3	4,2	-179,1%	21,5	39,8	-45,9%
Earnings per share (€)	-0,22	0,28	-179,1%	1,44	2,66	-45,9%
Earnings per share (€) - diluted	-0,22	0,28	-179,1%	1,44	2,66	-45,9%
Weighted average shares outstanding				14,940	14,940	0,0%
Weighted average shares outstanding - diluted				14,940	14,940	0,0%

Rounding differences may be observed in the percentage and numerical values expressed in millions of Euro since the underlying calculations are always based on thousands of Euro.

Balance Sheet	Jun. 30,'15 € million	Jun. 30,'14 € million	Devi- ation	Dec. 31,'14 € million
ASSETS				
Cash and cash equivalents	337,9	300,0	12,6%	401,5
Inventories	704,5	584,3	20,6%	571,5
Trade receivables	523,8	463,0	13,1%	449,2
Other current assets (Working Capital related)	195,8	182,7	7,2%	202,4
Other current assets	62,6	2,3	2633,7%	58,0
Current assets	1.824,5	1.532,3	19,1%	1.682,5
Deferred taxes	201,5	170,7	18,1%	178,8
Other non-current assets	716,4	643,2	11,4%	688,7
Non-current assets	917,9	813,9	12,8%	867,5
Total Assets	2.742,3	2.346,2	16,9%	2.549,9
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current financial liabilities	21,7	33,4	-35,0%	19,8
Trade payables	557,9	437,2	27,6%	515,2
Other current liabilities (Working Capital related)	226,1	196,6	15,0%	252,1
Other current liabilities	170,5	55,4	207,8%	35,5
Current liabilities	976,2	722,7	35,1%	822,6
Deferred taxes	56,2	44,5	26,3%	54,6
Pension provisions	26,4	28,2	-6,5%	26,0
Other non-current liabilities	32,9	37,3	-11,7%	28,4
Non-current liabilities	115,5	110,0	5,0%	109,0
Shareholders' Equity	1.650,6	1.513,5	9,1%	1.618,3
Total Liabilities and Shareholders' Equity	2.742,3	2.346,2	16,9%	2.549,9

Rounding differences may be observed in the percentage and numerical values expressed in millions of Euro since the underlying calculations are always based on thousands of Euro.

Cashflow Statement	1-06/2015 € million	1-06/2014 € million	Devi- ation
Earnings before taxes (EBT)	39,5	66,7	-40,7%
Financial result and non cash effected expenses and income	26,1	27,1	-3,8%
Cashflow - gross	65,6	93,8	-30,1%
Change in net working capital	-184,6	-94,6	95,1%
Taxes and interest payments	-21,4	-36,5	-41,3%
Cashflow from operating activities	-140,4	-37,3	276,5%
Payments for acquisitions	0,0	-2,3	-100,0%
Payments for investments in fixed assets	-36,4	-31,3	16,5%
Other investing activities	9,1	-1,1	-963,4%
Cashflow from investing activities	-27,3	-34,7	-21,2%
Free Cashflow	-167,8	-72,0	133,1%
Free Cashflow (before acquisitions)	-167,8	-69,7	140,9%
Dividends paid to equity holders of the parent company	-7,5	-7,5	0,0%
Dividends paid to non-controlling interests	-24,7	-15,3	61,4%
Proceeds from short-term borrowings	115,2	0,0	0,0%
Other changes	10,4	6,7	55,7%
Cashflow from financing activities	93,4	-16,1	-678,9%
Effect on exchange rates on cash	10,8	-2,0	-649,6%
Change in cash and cash equivalents	-63,6	-90,1	-29,4%
Cash and cash equivalents at beginning of financial year	401,5	390,1	2,9%
Cash and cash equivalents end of the period	337,9	300,0	12,6%

Rounding differences may be observed in the percentage and numerical values expressed in millions of Euro since the underlying calculations are always based on thousands of Euro.

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Notes to the editors:

- This press release and financial reports are posted on www.about.puma.com.
- PUMA SE stock symbol:
Reuters: PUMG.DE, Bloomberg: PUM GY,
Börse Frankfurt: ISIN: DE0006969603– WKN: 6969603

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PUMA

PUMA is one of the world's leading Sports Brands, designing, developing, selling and marketing Footwear, apparel and accessories. For over 65 years, PUMA has established a history of making fast product designs for the fastest athletes on the planet. PUMA offers performance and sport-inspired lifestyle products in categories such as Football, Running, Training and Fitness, Golf, and Motorsports. It engages in exciting collaborations with renowned design brands to bring innovative and fast designs to the sports world. The PUMA Group owns the brands PUMA, Cobra Golf, Dobotex and Brandon. The company distributes its products in more than 120 countries, employs more than 10,000 people worldwide, and is headquartered in Herzogenaurach/Germany. For more information, please visit <http://www.puma.com>